

COUNCIL
AGENDA

FEB 15, 1978

SPECIAL

THE COUNCIL OF
THE CORPORATION OF THE CITY OF MISSISSAUGA

A G E N D A

SPECIAL COUNCIL MEETING

WEDNESDAY, FEBRUARY 15, 1978, 10:30 A.M.

CITY COUNCIL CHAMBERS

1 CITY CENTRE DRIVE, MISSISSAUGA, ONTARIO

1. UNFINISHED BUSINESS - Attachments UB-3 - UB-4

UB-1 - OZ-78-74 - ROCHE DEVELOPMENTS

Mr. Stanley Stein, Weir & Foulds, representing Roche Developments, appeared before Council at its meeting of February 13, 1978. Mr. Stein indicated that, with respect to the development located at Erin Mills Parkway and North Sheridan Way, all City and Regional requirements have been met and that an application to amend the Official Plan has been submitted as required.

Mr. Stein is concerned that the processing of the development appears to be stopped and that this delay is resulting in the loss of potential tenants (i.e. Swiss Chalet, Crock & Block restaurants).

This matter was referred to this Special Council Meeting.

It is expected that a verbal report will be available from the Commissioner of Planning.

UB-2 - T-75143 - LIVERTON INVESTMENTS
(MISSISSAUGA EXECUTIVE CENTRE)

Mr. S. Smith, on behalf of Shipp Corporation, appeared before Council at its meeting of February 13, 1978, with respect to the Mississauga Executive Centre, Liverton Investments, located on the east side of Highway #10, north of Burnhamthorpe Road (immediately opposite the City of Mississauga offices).

This matter was referred to this Special Council Meeting.

It is expected that a report will be available from the Commissioner of Planning.

1. UNFINISHED BUSINESS CONTINUED

UB-3 - FILE 124-78 - BELL CANADA

Council, at its meeting of February 13, 1978, reviewed a notice from Bell Canada, dated February 1, 1978, advising of a "Request for Increase in Rates".

Councillor H. McCallion requested that the "endorsement" mentioned in the notice be brought before this Special Council Meeting.

See Attachments - UB-3.

UB-4 - OZ-40-76 - S. B. McLAUGHLIN AND ASSOC. LTD.
HUB TOWER SUITES LEASEHOLD LTD.

Resolution #30, passed by Council on January 23, 1978, resolved that:

" By-law 48-78 be put on the agenda for the Council meeting to be held Monday, February 13, 1978, for the purpose of being rescinded, unless before that date, an agreement is executed by S. B. McLaughlin and Assoc. and Hub Tower Suites Leasehold Ltd. "

The agreement, with certain amendments, was executed by S. B. McLaughlin and Assoc. Ltd. and Hub Tower Suites Leasehold Ltd. on Friday, February 10, 1978.

Council, at its meeting of February 13, 1978, decided not to rescind By-law #48-78, a by-law to amend By-law #5500, as amended, to permit the construction of an office building north of Burnhamthorpe Road and west of Central Parkway West, OZ-40-76.

Council requested that the agreement and site plan for the rezoning be considered at this Special Council Meeting.

By-law available. See Attachments - UB-4.

2. BY-LAWS

- #75-78 - A by-law to authorize the execution of an agreement between S. B. McLaughlin and Assoc. Ltd., Hub Tower Suites Leasehold Ltd. and the Corporation of the City of Mississauga (OZ-40-76).

THREE READINGS REQUIRED

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3. BY-LAW TO CONFIRM PROCEEDINGS OF COUNCIL AT THIS MEETING

Verbal motion for required number of readings.

4. ADJOURNMENT

Verbal motion.

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CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

APPLICATION of BELL CANADA for an Order under Section 320 of the Railway Act and all other relevant sections of said Act and of the Canadian Radio-television and Telecommunications Commission Act and of the National Transportation Act approving, to be effective July 15, 1978, revisions to Bell Canada's tariffs of Rates for Service, Equipment and Facilities.

PART A - REQUEST FOR INCREASE IN RATES

GUY HOULE
General Counsel
Bell Canada
1050 Beaver Hall Hill
Montreal, Quebec H3C 3G4

February 1, 1978

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CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

BELL CANADA hereby applies to the Canadian Radio-television and Telecommunications Commission for an Order under Section 320 of the Railway Act and all other relevant sections of said Act and of the Canadian Radio-television and Telecommunications Commission Act and of the National Transportation Act approving, to be effective July 15, 1978, revisions to Bell Canada's tariffs of Rates for Service, Equipment and Facilities, as set forth in Schedules 1 and 2 annexed hereto to form part hereof,

AND STATES THAT

- 1) The present application is rendered necessary by Bell Canada's need to restore its financial strength in order to be able to continue to provide to its customers telecommunications service of high quality at reasonable cost.
- 2) The problems faced by Bell Canada, as it looks ahead through 1978 and 1979, are acute. They arise mainly from a slow-down in general economic activity in Canada during 1977, and expectations of only modest recovery in 1978 and 1979, coupled with continued high rates of inflation.

For example, in the fall of 1976 in a survey of forecasts by 17 financial institutions made by the Conference Board in Canada, the average forecast for the real growth in Gross National Expenditure for 1977 was 4.5%. A similar survey of financial institutions

made by the Conference Board in Canada in the fall of 1977, showed that the average estimate for real growth in the Gross National Expenditure for 1977 had dropped to 2.2% and that the average forecast for 1978 was 4.4%.

Despite this slow-down in real growth, inflation in Canada, as expressed by the Consumer Price Index, was 8.0% in 1977, and is estimated to be 6.9% in 1978 according to a survey made by the Conference Board in Canada in the fall of 1977.

- 3) As a result of the unexpected drop in economic activity in Canada in 1977, most forecasts and plans for the year 1977 formulated late in 1976 or early in 1977 have turned out to be too optimistic.
- 4) The last application for approval of a general increase in rates made by Bell Canada to this Commission was filed on November 3, 1976. The evidence in that application included estimates and forecasts prepared in the light of conditions and expectations as they existed in the fall of 1976. Certain of those estimates were later updated in the early part of 1977. The Commission's Decision on the application was rendered on June 1, 1977. It approved increases in many of the rates charged by Bell Canada for services, facilities and equipment, and most of these rates came into force on June 13, 1977. At page 27 of that Decision (Telecom. Decision CRTC 77-7), the Commission stated the following:

"2. Rate of Return

In the application, Bell Canada indicated that a minimum rate of return on average common equity of 12.0% was required if the Company were to meet its commitments to subscribers and shareholders alike. In the light of evidence presented by the Company and intervenors, the Commission has concluded that a 12.0% rate of return on average common equity is acceptable. While approving this rate of return, the Commission is aware that the increases in rates approved will not produce such a return in 1977, but should provide for a reasonable possibility of such a return in 1978."

- 5) Unfortunately, the hard facts are that the Company's rate of return on common equity in 1977 was 9.0%, far below this 12.0% level. Further, unless rates are increased as a result of the present application, the Company's rate of return on common equity in 1978 is estimated to be about 8.3%. The prospects for 1979, unless present rates are increased, are even bleaker.
- 6) Bell Canada has prepared three short tables, designed to show as clearly as possible the changes between estimates made late in the year 1976, concerning certain major items for the years 1977, 1978 and 1979, and the Company's current estimates concerning the same items for the same three years, as shown on pages 4, 5 and 6.

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Table 1
BELL CANADA
FORECASTS

| <u>1977</u> | <u>Jan. 1977 View of 1977 (See Note)</u> | <u>1977 Actual</u> | <u>Difference</u> |
|---------------------------------------|--|--------------------|-------------------------------|
| Total Operating Revenues | \$2,203M | \$2,133M | (\$70M) |
| Total Operating Expenses | \$1,559M | \$1,572M | \$13M |
| Capital Expenditures | \$1,010M | \$ 951M | (\$59M) |
| Return on Common Equity | 11.0% | 9.0% | (2.0) percentage points |
| Return on Average Total Capital | 9.3% | 8.4% | (0.9) percentage points |
| Interest Coverage | 3.5x | 3.0x | (0.5x) |
| Main Telephones in Service at 31 Dec. | 5,203,600 | 5,182,100 | (21,500) |
| Long Distance Messages | 574,700,000 | 557,210,000 | (17,490,000) |

Note: The January 1977 View of 1977 was prepared in the fall of 1976. The data shown have been adjusted, where applicable, to reflect the estimated effect of the rates implemented pursuant to the Commission's decision of June 1, 1977.

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Table 2
BELL CANADA
FORECASTS

| <u>1978</u> | <u>Projection of 1978</u> <u>(as of January 1977) (1)</u> | <u>Current</u> <u>Estimate</u> <u>of 1978 (2)</u> | <u>Difference</u> |
|---------------------------------------|--|---|-------------------------------|
| Total Operating Revenues | \$2,512M | \$2,380M | (\$132M) |
| Total Operating Expenses | \$1,780M | \$1,795M | \$ 15M |
| Capital Expenditures | \$1,103M | \$1,035M | (\$ 68M) |
| Return on Common Equity | 11.4% | 8.3% | (3.1) percentage points |
| Return on Average Total Capital | 9.5% | 8.2% | (1.3) percentage points |
| Interest Coverage | 3.7x | 2.8x | (0.9x) |
| Main Telephones in Service at 31 Dec. | 5,404,900 | 5,346,200 | (58,700) |
| Long Distance Messages | 640,800,000 | 602,400,000 | (38,400,000) |

Notes: 1) Assumed approval of all rate increases proposed in the application dated November 3, 1976.

2) The Current Estimate takes into account the estimated effects of the Commission's Decision dated June 1, 1977, but does not include the additional rates proposed in this application.

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Table 3
BELL CANADA
FORECASTS

| <u>1979</u> | <u>Projection of 1979 (as of January 1977) (1)</u> | <u>Current Estimate of 1979 (2)</u> | <u>Difference</u> |
|---------------------------------------|--|---|-------------------------------|
| Total Operating Revenues | \$2,758M | \$2,575M | (\$183M) |
| Total Operating Expenses | \$2,005M | \$2,025M | \$ 20M |
| Capital Expenditures | \$1,190M | \$1,145M | (\$ 45M) |
| Return on Common Equity (3) | 10.1% | 6.8% | (3.3) percentage points |
| Return on Average Total Capital | 9.1% | 7.6% | (1.5) percentage points |
| Interest Coverage | 3.3x | 2.5x | (0.8x) |
| Main Telephones in Service at 31 Dec. | 5,615,300 | 5,525,000 | (90,300) |
| Long Distance Messages | 700,350,000 | 655,100,000 | (45,250,000) |

Notes: 1) Assumed approval of all rate increases proposed in the application dated November 3, 1976.

2) The Current Estimate takes into account the estimated effects of the Commission's Decision dated June 1, 1977, but does not include the additional rates proposed in this application.

3) Before extraordinary item. (See Exhibit No. B-78-1 annexed).

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- 7) The foregoing tables serve to demonstrate the gravity of the Company's position, and the vital need for increased rates. One needs only to consider that, in 1977, the Commission concluded that a rate of return on common equity of 12.0% was acceptable, and to compare the figure of 12.0% with the estimated rates of return on common equity for 1978 and 1979, to realize that rate relief at an early date is essential if Bell Canada is to continue to be able to meet demand and provide quality service to its customers.
- 8) The drop in forecast demand for both main telephones and long distance messages as shown in Tables 1, 2 and 3 is a primary factor in the reduction of the estimates of Total Operating Revenues and Capital Expenditures from previous estimates. The effect of lower demand on Capital Expenditures has been somewhat offset by the changes in the program to improve service in the non-urban territory.
- 9) While economic conditions during 1977 have been such that there has been a slackening in the rate of growth of demand for telecommunications service, the fact remains that the Company had to invest about \$950 million in 1977, and will be required to invest over \$1 billion in each of the years 1978 and 1979 in order to carry out its capital program of construction and modernization of the plant, facilities and equipment needed to meet expected service demand. These capital expenditures, which cannot be avoided if Bell Canada is to continue to provide good service at reasonable cost to those who demand it, must be financed.

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The funds required will have to be obtained from two principal sources. On the assumption that the present application is granted in full, the Company's capital requirements will be such that approximately \$860 million will be required to be raised externally in the capital markets in Canada, the United States and Europe during the 1978-1979 period, with the balance to be generated internally.

- 10) The problem of raising sums of this magnitude externally in competition with other corporations and institutions, as well as with many governments and government-owned organizations, is a problem which Bell Canada must face and overcome every year, year after year. To be able to continue to be successful in its efforts to raise these funds, Bell Canada must maintain its financial integrity and its earning power, in order that investors will continue to be willing to invest in the securities which the Company must issue each year.
- 11) As has been shown in Tables 1, 2 and 3, unless rates are increased, Bell Canada's financial position will be seriously weakened. The rate of return on common equity in each of the years 1977, 1978 and 1979 will be far below any reasonable level, and the times interest coverage ratio will, in each year, be far below the minimum level of 3.5 times, which must be maintained, and indeed improved, if the Company is to retain its credit rating and current standing with investors. Of even greater importance, the three tables demonstrate clearly an adverse trend year by year. The Company's credit rating is subject to continuing severe scrutiny, and the potential for downward adjustment with the attendant consequences will be high, unless this adverse trend is reversed.

Under these circumstances, it is likely that external financing in the amounts required to carry out the Company's capital program would prove to be virtually impossible, or, at best, unreasonably costly. The Company would have to consider seriously whether prudent management could permit the capital program to go forward, or whether cutbacks should be made. Any sizeable reductions in the capital program would necessarily affect the Company's ability to provide service.

- 12) The Company, having experienced a drastic drop in forecast revenues during the year 1977, and faced with the current forecast for 1978 and 1979 as shown on the foregoing tables, has continued to exercise rigorous control over expenses, and to keep its capital program at a minimum, account being taken of the need to continue to meet demand, and in particular, to go forward with the 4-year program of Non-Urban Service Improvement.

- 13) During the period since 1968, it has been necessary for Bell Canada to make application for approval of several general rate increases. Each of such applications has culminated in a public hearing and, over the years, a mass of information about Bell Canada's way of doing business, its finances, its efficiency, its quality of service, its desire to innovate and modernize, and its constant search for ways to reduce expense has been accumulated. In order to permit the Commission and interested parties to gain a brief, but comprehensive and up-to-date, picture of the earnings position and financial ratios of Bell Canada and of the Company's operations, as well as of

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the results expected of the present application, the Company has annexed hereto, to form part of the application, a series of 17 exhibits, each of which is self-explanatory.

- 14) After serious consideration of its present financial position, the prospects for the future, and its responsibilities to present and future customers, its employees, and its shareholders, Bell Canada has concluded that it is essential that it seek approval of increased rates, to become effective on July 15, 1978.
- 15) All of the rates charged by Bell Canada to its customers for telephone service, equipment or facilities must be just and reasonable, and must not subject any person to unjust discrimination.
- 16) Rates are just and reasonable when:
 - a) they are fair to both the consumer and the Company; rates should be at a level which balances the interests of the user of the Company's services on the one hand, and the interests of the investors in the Company on the other;
 - b) they provide sufficient revenues to enable the Company to meet its operating expenses and the capital costs of carrying on its business;
 - c) they provide a level of earnings which will maintain the financial integrity of the Company;
 - d) they provide a level of earnings which will be sufficient to maintain the Company's credit, and enable it to attract capital on reasonable terms;

- e) they enable a shareholder in Bell Canada to earn as large a return on his invested capital as he would receive if he were investing the same amount in other securities possessing an attractiveness, stability and certainty equivalent to that of Bell Canada.
- 17) Unless rates meet these criteria they are not just and reasonable. Rates which are just and reasonable provide an opportunity to the Company to earn a fair and reasonable rate of return.
- 18) Bell Canada, in its present application, is requesting the Commission to fix an appropriate range of permissive rate of return on average total capital for the year 1979. In Bell Canada's respectful submission, such an appropriate, permissive rate of return on average total capital would be in the range of 10.66% to 11.12%. The Company estimates that, taking into account its forecast capital structure in 1979, a rate of return on average total capital of 10.66% to 11.12% should result in a rate of return on common equity in 1979 in the range of 13.5% to 14.5%. Such rates of return, in the Company's view, would be just and reasonable in 1979. Exhibit No. B-78-17 annexed hereto sets out the estimated average capital structure of Bell Canada in 1979, the estimated cost rate of the various components of that capital structure, and the estimated reasonable range of rate of return on average total capital.
- 19) The last time a permissive range of rate of return on the average total capital of Bell Canada was considered and fixed by a regulatory body was by a

Decision rendered by the Telecommunication Committee of the Canadian Transport Commission under date of August 15, 1974, in respect of Bell Canada's Amended Application "B" dated August 15, 1973.

- 20) In its said Decision dated August 15, 1974, the Canadian Transport Commission found that a just and reasonable rate of return on common equity to Bell Canada at that time was in the range of 11.0% to 12.0%, and that an appropriate permissive range in rate of return on total average capital was 8.6% to 9.1%.
- 21) Despite all the Company's efforts, and despite certain general rate increases approved since August 15, 1974, Bell Canada has never, on an annual basis, achieved even the lower end of the range of rate of return on common equity. The highest annual return on common equity ever earned by the Company since 1974 was in 1976, when the Company earned a rate of return of 10.06% on common equity.
- 22) During this difficult period, when the Company was consistently earning less than a reasonable rate of return, the Company deferred or curtailed some modernization and innovation programs in order to be able to continue to provide for most of the demands placed upon it for basic service. The effect of such curtailments or deferments, which in many cases adversely affected expenses and quality and variety of service, will have to be overcome sooner or later, and at a greater cost.
- 23) It is a fact of business and financial life that even the strongest firms must maintain their

credit standing and earning power if they intend to return time and again to the financial markets to obtain large amounts of financing. Bell Canada is no exception to this rule. The Company therefore considers it vital that the Commission approve the permissive level of earnings proposed in this application for the year 1979.

- 24) Furthermore, it is equally important that the investors and potential investors in Bell Canada be assured that there is a reasonable prospect that earnings and financial ratios in 1978 will be improved substantially over current expectations. The Company is of the opinion that with the prospect of earning a return on common equity in the range of 13.5% to 14.5% in 1979 it will be able to maintain its financing program if it is able to earn a return in 1978 of approximately 12.0% on common equity. Such a return is estimated to be within the profit margins permitted under the Anti-Inflation Act and Regulations.

- 25) It is noted that in its Telecom. Decision CRTC 77-7 dated June 1, 1977 at pages 29 to 32 inclusive, the Commission discusses certain matters under the heading "Income from Subsidiaries". At page 31, the Commission, during a discussion of Tele-Direct Ltd., says: "The Commission considers that the impact of all earnings derived from the Bell Canada telephone directory operation should be included in calculating Bell's revenue requirement, and requires that for present regulatory purposes the total Net Income of

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Tele-Direct be included in Other Income for Bell Canada". Bell Canada respectfully requests that this requirement be dropped entirely in respect of the present application, since Tele-Direct Ltd. is an independent corporation with a corporate existence and business separate and distinct from Bell Canada. In the meantime, and without admission, but under reserve of all its rights, Bell Canada has, for the purposes of this application, included the total Net Income of Tele-Direct Ltd. in its calculations of revenue requirements in 1979.

- 26) For the full year 1979, the increased rates set out in Schedules 1 and 2 to this application are estimated to produce increased revenues of about \$398.9 million, resulting in an increase in the year of about 15.4% in Total Operating Revenues, which would enable the Company to earn a rate of return on common equity in 1979 of 14.0%, as calculated for regulatory purposes. However, it should be noted that the aforementioned requirement laid down by the Commission with regard to the Net Income of Tele-Direct Ltd., if applied in 1979, would result in a situation where said increased revenues would enable the Company to earn an estimated return on common equity of investors in Bell Canada in 1979 of 13.9%, rather than 14.0%. (See Exhibit Nos. B-78-1 and B-78-2 annexed hereto).

- 27) Again, in order to achieve a return of approximately 12.0% on common equity in 1978, it is necessary that the increased rates set out in Schedules 1 and 2 to this Application be approved and in force not later than July 15, 1978. (See Exhibit Nos. B-78-1 and B-78-2 annexed hereto). The Company estimates that if

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such increased rates come into force July 15, 1978, they will provide increased revenues in 1978 of about \$171.5 million, resulting in an increase in the year of 7.2% in Total Operating Revenues.

28) Bell Canada asks that the new rates which the Commission approves upon this application be authorized to be put into effect on July 15, 1978.

29) It is proposed to exempt Two-Party and Multi-Party Line residence primary exchange service from rate increases. These services are the lowest priced primary services available to residence subscribers. Again, no rate increases are proposed in the case of special services specifically designed for use by the handicapped.

30) Part A of this application, being a Request for Increase in Rates, together with the revisions to the tariffs for which approval is sought by this application, are deposited and kept on file in Bell Canada's public business offices in every municipality in which it maintains such offices and are available for public inspection during normal business hours.

Montreal, this 1st day of February, 1978.

Guy Houle
General Counsel
BELL CANADA

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ENDORSEMENT

Do You Wish to Comment or Intervene?

You may express your views in one of three ways:

1) By sending a letter to the Commission

If you have a comment or matter which you feel the Commission should take into account in reviewing the application, including such matters as quality of service, availability of service, billing practices, or any other matter relating to the Company's operations, you can write directly to the Commission. Your comments should set out clearly the relevant facts and you should state whether you support or oppose the application or have any other position. Send your comments so they will be received before April 3, 1978 to:

Lise Ouimet,
Secretary General,
Canadian Radio-television and
Telecommunications Commission,

100 Metcalfe Street,
Ottawa K1A 0N2.

A copy of your letter should also be sent to:

Guy Houle,
General Counsel,
Bell Canada,

1050 Beaver Hall Hill,
Montreal H3C 3G4.

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2) By appearing at a Regional Hearing

The Commission will be holding Regional Hearings, which will take the form of public meetings held in the evening in a number of different communities within Bell Canada's service area in the last two weeks of April. Meetings will be held in Frobisher Bay, London, Montreal, Ottawa-Hull, Quebec City and Toronto and in other locations depending on the response to this notice. Precise times and locations will be announced later. If you would like an opportunity to appear at one of these hearings, at which you may expand on your letter or otherwise participate, you should follow the procedure described above for sending comments to the Commission, making sure to include a statement of your desire to participate at a Regional Hearing.

3) By appearing at the Central Hearing

In addition to the Regional Hearings the Commission will be conducting a more formal Central Hearing which is tentatively scheduled to take place in Ottawa at l'Esplanade Laurier, commencing Tuesday, May 2, 1978 at 9:30 a.m., provided the Application File has been completed to the satisfaction of the Commission. If you plan to appear at the Central Hearing you must ensure that your comments and your notification of intention to participate at the Central Hearing are received by the Commission on or before March 3, 1978. The deadline for submission of interrogatories to the applicant, with a copy to the Commission, is also March 3, 1978.

THIS AGREEMENT dated the 10th day of February, 1978.

BETWEEN:

S.B. McLAUGHLIN ASSOCIATES LIMITED AND HUB
TOWER SUITES LEASEHOLDS LIMITED
(hereinafter called "the Owners")

OF THE FIRST PART;

- and -

THE CORPORATION OF THE CITY OF MISSISSAUGA
(hereinafter called "the City")

OF THE SECOND PART

WHEREAS S.B. McLaughlin Associates Limited and Hub Tower Suites Leaseholds Limited have informed the City of Mississauga that it is essential that construction commence as soon as possible on a building to be erected on the property which is the subject matter of City File OZ/40/76;

AND WHEREAS many complicated matters involving the zoning, provision for parking, roads, site triangles, financial terms, etc. have yet to be identified and solved to the satisfaction of the City;

AND WHEREAS no financial agreement, housekeeping agreement, engineering agreement, site development plan agreement, and other matters normally required to be satisfied prior to the enactment of a zoning by-law have yet been entered into or satisfied;

AND WHEREAS the time required to complete these matters would delay the presentation to City Council of a rezoning by-law;

AND WHEREAS the City is desirous of assisting S.B. McLaughlin Associates Limited and Hub Tower Suites Leaseholds Limited in processing their rezoning application at the earliest possible time;

NOW THEREFORE THIS AGREEMENT will witness that, in consideration of the City enacting a zoning by-law in respect of the lands which are the subject of City File OZ/40/76 and in consideration of the City deferring compliance by the Owners with the requirements normally and usually conditions precedent to the passing of such a by-law, and for other good and

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valuable consideration, the parties hereto hereby agree with one another as follows:

1. S.B. McLaughlin Associates Limited and Hub Tower Suites Leaseholds Limited hereby declare and agree that they are the only owners of the property which is the subject matter of City File OZ/40/76 and of the lands adjacent thereto and marked in red in Schedule 'A' to this agreement.
2. S.B. McLaughlin Associates Limited and Hub Tower Suites Leaseholds Limited hereby declare and agree that neither a sale or other alienation by the Owners of their interest in the lands referred to in paragraph (1) one of this agreement prior to compliance with the terms of this agreement or in any event prior to the issuance of any building permit in respect of the said lands shall absolve them from compliance with the obligations of this agreement and the Owners do further covenant and agree that if by reason of any such sale or alienation, the City is unable to procure signed agreements on the matters referred to in paragraph 3 & 4 below, that the Owners will save the City harmless from any financial or other loss ensuing therefrom.
3. S.B. McLaughlin Associates Limited and Hub Tower Suites Leaseholds Limited acknowledge and agree that no building permit will be issued by the City and no application therefor will be made by the Owners in respect of the property which is the subject matter of City File OZ/40/76, unless and until they have entered into all further necessary undertakings and agreements and otherwise satisfied all financial, engineering, planning and other requirements of the City in connection with the development of the said property.
4. S.B. McLaughlin Associates Limited, and Hub Tower Suites Leaseholds Limited agree that if the City requires that they do so they shall build and pay for a pedestrian grade separation in accordance with standards in effect as of the date of this agreement over Burnhamthorpe Road from or adjacent to the site of the property which is the subject of City File OZ/40/76 on the north side of Burnhamthorpe Road to the south side of Burnhamthorpe Road upon the following basis:

..../3.

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- (a) The separation shall be built at the request of the City upon 6 months' notice in writing;
 - (b) Prior to the giving of the notice referred to in 4. (a) above, the City agrees to review with S.B. McLaughlin Associates Limited and Hub Tower Suites Leaseholds Limited the need for the overpass;
 - (c) If notice is not delivered within 10 years from the date of this agreement, this obligation shall be null and void;
 - (d) The design and specifications of such overpass shall be subject to the approval of the City Engineer;
 - (e) S.B. McLaughlin Associates Limited and Hub Tower Suites Leaseholds Limited shall supply the land required for the overpass if under its ownership, but shall not be required in any event to pay more than \$150,000.00 (in 1978 dollars but subject to an annual increment in accordance with the Southam Construction Index, Ontario Series) on account of the costs of design, and construction of the said separation.
 - (f) The parties hereto agree that an effort will be made to design and locate the southern terminal of the pedestrian grade separation on the Burnhamthorpe Road right-of-way, provided however that in the event that the southern terminal cannot be located on the said right-of-way, and the southern terminal has to be located on land that is not under the control of any of the parties hereto, that S.B. McLaughlin Associates Limited and Hub Tower Suites Leaseholds Limited will contribute to the cost of the land any part of the \$150,000.00 not used in the design and construction of the pedestrian grade separation.
5. Without in any way limiting the generality of the foregoing, the Owners, acknowledge and agree that the matters to be satisfied pursuant to this agreement include:
- (a) provision for parking over and above that required by any zoning by-law passed by the City, such parking and the location thereof to be reasonably determined by the City.
 - (b) the provision of roads and the construction thereof to prevailing City standards.

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- (c) the payment to the City of \$2,300.00 per acre on the subject lands for arterial roads, plus \$2,300.00 per acre on the subject lands for storm sewers, less credits applicable to such payment for storm works already completed, plus such other planning and engineering fees normally required as a condition of rezoning.
- (d) it is understood that there shall be no other financial requirements required by the City in respect to the related land severance.
6. In the event that the by-law is not finally approved by the Ontario Municipal Board, this agreement shall be null and void.

IN WITNESS WHEREOF The Parties hereto have set their hands and seals.

S.B. McLAUGHLIN ASSOCIATES LIMITED

Position - PRESIDENT

Position - VICE-PRESIDENT

HUB TOWER SUITES LEASCHOLDS LIMITED

Position - PRESIDENT

Position - SECRETARY TREASURER

THE CORPORATION OF THE CITY OF MISSISSAUGA

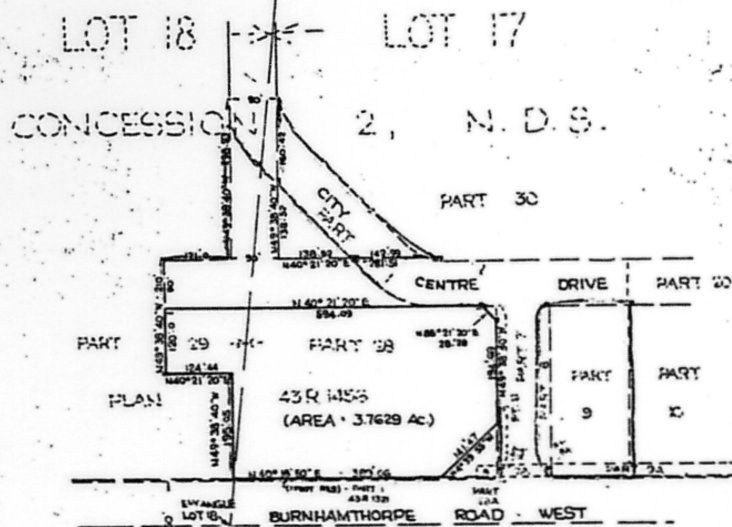
MAYOR

CLERK

PLAN OF
PART OF LOTS 17 & 18
CONCESSION 2, N.D.S.
CITY OF MISSISSAUGA
REGIONAL MUNICIPALITY OF PEEL
SCALE: 1" = 200'

UB-4d

STARR & TARASICK
PROFESSIONAL ENGINEERS
ONTARIO LAND SURVEYORS
106 LAKESHORE BLVD. EAST
PORT CREDIT, ONT. L3P 1A1
W.B. Starr O.L.S.
JAN. 17, 1978



LANDS AS OUTLINED
FORM PART OF PARTS
28 AND 29, PLAN 43R M56

THIS AGREEMENT dated the 10th day of February, 1978.

B E T W E E N:

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S.B. McLAUGHLIN ASSOCIATES LIMITED AND HUB
TOWER SUITES LEASEHOLDS LIMITED
(hereinafter called "the Owners")

OF THE FIRST PART;

- and -

THE CORPORATION OF THE CITY OF MISSISSAUGA
(hereinafter called "the City")

OF THE SECOND PART

WHEREAS S.B. McLaughlin Associates Limited and Hub Tower Suites Leaseholds Limited have informed the City of Mississauga that it is essential that construction commence as soon as possible on a building to be erected on the property which is the subject matter of City File OZ/40/76;

AND WHEREAS many complicated matters involving the zoning, provision for parking, roads, site triangles, financial terms, etc. have yet to be identified and solved to the satisfaction of the City;

AND WHEREAS no financial agreement, housekeeping agreement, engineering agreement, site development plan agreement, and other matters normally required to be satisfied prior to the enactment of a zoning by-law have yet been entered into or satisfied;

AND WHEREAS the time required to complete these matters would delay the presentation to City Council of a rezoning by-law;

AND WHEREAS the City is desirous of assisting S.B. McLaughlin Associates Limited and Hub Tower Suites Leaseholds Limited in processing their rezoning application at the earliest possible time;

NOW THEREFORE THIS AGREEMENT will witness that, in consideration of the City enacting a zoning by-law in respect of the lands which are the subject of City File OZ/40/76 and in consideration of the City deferring compliance by the Owners with the requirements normally and usually conditions precedent to the passing of such a by-law, and for other good and

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valuable consideration, the parties hereto hereby agree with one another as follows:

1. S.B. McLaughlin Associates Limited and Hub Tower Suites Leaseholds Limited hereby declare and agree that they are the only owners of the property which is the subject matter of City File OZ/40/76 and of the lands adjacent thereto and marked in red in Schedule 'A' to this agreement.
2. S.B. McLaughlin Associates Limited and Hub Tower Suites Leaseholds Limited hereby declare and agree that neither a sale or other alienation by the Owners of their interest in the lands referred to in paragraph (1) one of this agreement prior to compliance with the terms of this agreement or in any event prior to the issuance of any building permit in respect of the said lands shall absolve them from compliance with the obligations of this agreement and the Owners do further covenant and agree that if by reason of any such sale or alienation, the City is unable to procure signed agreements on the matters referred to in paragraph 3 & 4 below, that the Owners will save the City harmless from any financial or other loss ensuing therefrom.
3. S.B. McLaughlin Associates Limited and Hub Tower Suites Leaseholds Limited acknowledge and agree that no building permit will be issued by the City and no application therefor will be made by the Owners in respect of the property which is the subject matter of City File OZ/40/76, unless and until they have entered into all further necessary undertakings and agreements and otherwise satisfied all financial, engineering, planning and other requirements of the City in connection with the development of the said property.
4. S.B. McLaughlin Associates Limited, and Hub Tower Suites Leaseholds Limited agree that if the City requires that they do so they shall build and pay for a pedestrian grade separation in accordance with standards in effect as of the date of this agreement over Burnhamthorpe Road from or adjacent to the site of the property which is the subject of City File OZ/40/76 on the north side of Burnhamthorpe Road to the south side of Burnhamthorpe Road upon the following basis;

.... / 3.

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- (a) The separation shall be built at the request of the City upon 6 months' notice in writing;
 - (b) Prior to the giving of the notice referred to in 4. (a) above, the City agrees to review with S.B. McLaughlin Associates Limited and Hub Tower Suites Leaseholds Limited the need for the overpass;
 - (c) If notice is not delivered within 10 years from the date of this agreement, this obligation shall be null and void;
 - (d) The design and specifications of such overpass shall be subject to the approval of the City Engineer;
 - (e) S.B. McLaughlin Associates Limited and Hub Tower Suites Leaseholds Limited shall supply the land required for the overpass if under its ownership, but shall not be required in any event to pay more than \$150,000.00 (in 1978 dollars but subject to an annual increment in accordance with the Southam Construction Index, Ontario Series) on account of the costs of design, and construction of the said separation.
 - (f) The parties hereto agree that an effort will be made to design and locate the southern terminal of the pedestrian grade separation on the Burnhamthorpe Road right-of-way, provided however that in the event that the southern terminal cannot be located on the said right-of-way, and the southern terminal has to be located on land that is not under the control of any of the parties hereto, that S.B. McLaughlin Associates Limited and Hub Tower Suites Leaseholds Limited will contribute to the cost of the land any part of the \$150,000.00 not used in the design and construction of the pedestrian grade separation.
5. Without in any way limiting the generality of the foregoing, the Owners, acknowledge and agree that the matters to be satisfied pursuant to this agreement include;
- (a) provision for parking over and above that required by any zoning by-law passed by the City, such parking and the location thereof to be reasonably determined by the City.
 - (b) the provision of roads and the construction thereof to prevailing City standards.

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- (c) the payment to the City of \$2,300.00 per acre on the subject lands for arterial roads, plus \$2,300.00 per acre on the subject lands for storm sewers, less credits applicable to such payment for storm works already completed, plus such other planning and engineering fees normally required as a condition of rezoning.
- (d) it is understood that there shall be no other financial requirements required by the City in respect to the related land severance.
6. In the event that the by-law is not finally approved by the Ontario Municipal Board, this agreement shall be null and void.

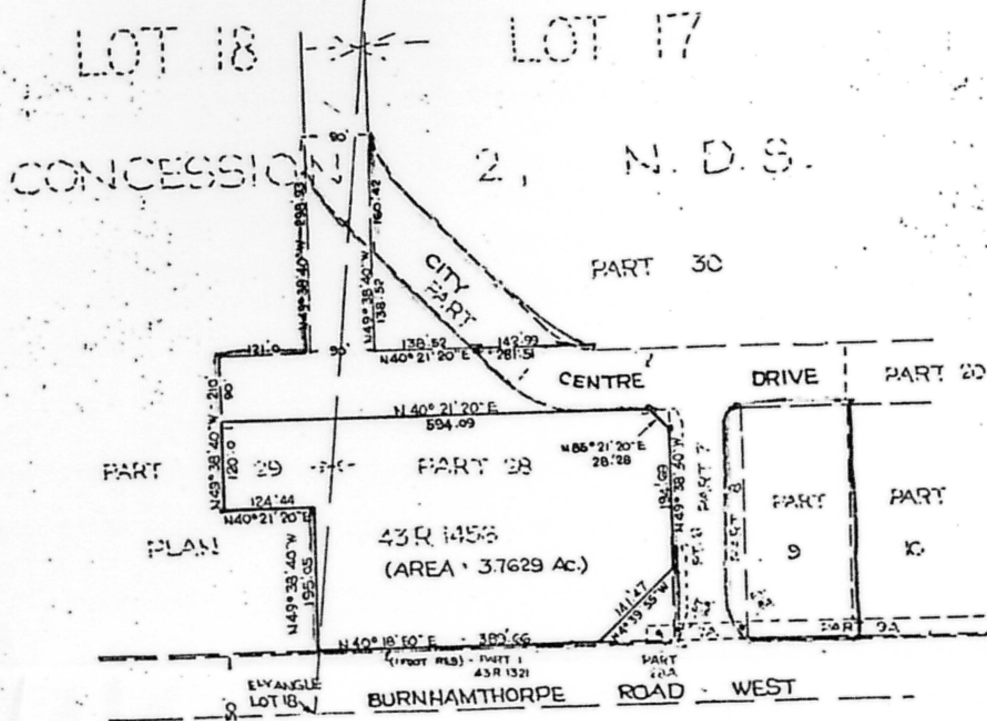
IN WITNESS WHEREOF The Parties hereto have set their hands and seals.

) S.B. McLAUGHLIN ASSOCIATES LIMITED
)
) By [Signature] - PRESIDENT
) Position
) [Signature]
) Position - VICE-PRESIDENT
)
) HUB TOWER SUITES LEASEHOLDS
) LIMITED
)
) By [Signature] - PRESIDENT
) Position
) [Signature]
) Position - SECRETARY TREASURER
)
) THE CORPORATION OF THE CITY OF
) MISSISSAUGA
)
) MAYOR
)
) CLERK

PLAN OF
PART OF LOTS 17 & 18
CONCESSION 2, N.D.S.
CITY OF MISSISSAUGA
REGIONAL MUNICIPALITY OF PEEL
SCALE: 1" = 200'

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W.B. Starr O.L.S.
JAN. 17, 1978



LANDS AS OUTLINED
FORM PART OF PARTS
28 AND 29, PLAN 43R 1456

February 14, 1978

SHIPP CORPORATION LIMITED
for
LIVERTON INVESTMENTS LIMITED
PROCESSING TIMETABLE

City of Mississauga

February 21

February 24

March 6)

March 10)

(Final
(Consolidated
(Report and
(OMB Conditions
(of Approval
(Available
(March 28)

April 5

April 12

April 24

Planning Committee

Notices



10 Days



Public Display

Planning Committee

General Committee

Council

Planning Committee

General Committee

Council

Liverton Investments

February 21) Draft of
Consolidated

February 22) Report and
OMB Condi-

(March 3) tions of
Approval

(March 9

March 15

March 22

March 28

Shipp Corp Ltd
SS/nk
2/14/78

TIME SCHEDULE
WEST MEADOWS DEVELOPMENT APPLICATIONS

| | |
|-------------------------|---|
| FEBRUARY 21 | Explain concept of Secondary Plan to Planning Committee and receive approval for public display of Secondary Plan. |
| FEBRUARY 23/24 | Send out notice (10 days notice required by policy) of public display to be held March 6 to March 10. |
| MARCH 10 TO MARCH 17 | Period for response to public display. |
| MARCH 17 TO MARCH 31 | Preparation of report on public response. Preparation of Official Plan Amendment to incorporate Secondary Plan. Completion of Zoning reports and related By-laws. Completion of consolidated reports and subsequent issuance of them to developers - response from developers and possible negotiations regarding conditions of development. |
| APRIL 4 | Presentation to Planning Committee of Official Plan Amendment (Secondary Plan), Zoning reports, and Consolidated Reports. |
| APRIL 5 OR 12 | Planning Committee recommendations to General Committee. |